

## **EXHIBIT A**

Motors Liquidation Company GUC Trust  
STATEMENT OF NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)  
December 31, 2011  
Unaudited  
(Dollars in thousands)

**ASSETS**

Cash and Cash Equivalents	\$ 1,433
Investments in Marketable Securities	78,181
Investments in New GM Securities	1,178,088
Other Assets & Deposits	3,857

<b>TOTAL ASSETS</b>	<b>\$ 1,261,559</b>
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**LIABILITIES**

Accounts Payable & Other Liabilities	\$ 7,762
Liquidating Distributions Payable	40,047
Reserves for Residual Wind Down Claims	33,807
Reserves for Expected Costs of Liquidation	79,044

<b>TOTAL LIABILITIES</b>	<b>\$ 160,660</b>
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<b>NET ASSETS IN LIQUIDATION</b>	<b>\$ 1,100,899</b>
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Moters Liquidation Company GUC Trust  
STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)  
Unaudited  
(Dollars in thousands)

	<u>Three Months Ended December 31,</u>	<u>Nine Months Ended December 31, 2011</u>
<b>Net Assets in Liquidation, beginning of period</b>	\$ 1,173,638	\$ -
Transfer of interest in securities due from Moters Liquidation Company	0	9,254,045
Adjustment of reserves for costs of liquidation	(37,212)	(42,870)
Liquidating distributions of securities	(40,047)	(8,107,555)
Net change in fair value of investments in New GM Securities	4,498	(2,792)
Net income - Interest income	22	71
<b>Net Assets in Liquidation, end of period</b>	<u>\$ 1,100,899</u>	<u>\$ 1,100,899</u>

Motors Liquidation Company GUC Trust  
STATEMENT OF CASH FLOWS (LIQUIDATION BASIS)  
Unaudited  
(Dollars in thousands)

	<u>Nine Months Ended December 31, 2011</u>
<b>Cash flows from (used in) operating activities</b>	
Cash receipts from interest	\$ 69
Cash paid for professional fees, governance costs and other administrative costs	(16,557)
Net cash flows from operating activities	(16,488)
<b>Cash flows from (used in) investing activities</b>	
Cash used to purchase investments	(301,356)
Cash from maturities of investments and sales of investments	223,165
Net cash flows from investing activities	(78,191)
<b>Cash flows from (used in) financing activities</b>	
Cash transfer from Motors Liquidation Company to fund expected costs of liquidation	62,306
Cash transfer from Motors Liquidation Company to fund Residual Wind-Down Claims	33,807
Net cash flows from financing activities	96,113
Net increase in cash and cash equivalents	1,433
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	<u>\$ 1,433</u>
<b>Reconciliation of net income to net cash flows used in operating activities:</b>	
Net income	\$ 71
Adjustments to reconcile net income to net cash flows from operating activities:	
Change in assets and liabilities	
Other assets & deposits	(64)
Accounts payable & other liabilities	6,736
Reserves for expected costs of liquidation	(21,181)
Cash due from Motors Liquidation Company	(2,050)
<b>Net cash flows from operating activities</b>	<u>\$ (16,488)</u>

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

**1. Purpose of Trust and Plan of Liquidation**

***Purpose of Trust***

The Motors Liquidation Company GUC Trust (“GUC Trust”) is a successor to Motors Liquidation Company (formerly known as General Motors Corp.) (“MLC”) within the meaning of Section 1145 of the United States Bankruptcy Code (“Bankruptcy Code”). The GUC Trust holds, administers and directs the distribution of certain assets pursuant to the terms and conditions of the Motors Liquidation Company GUC Trust Agreement (the “GUC Trust Agreement”), dated as of March 30, 2011 and as amended from time to time, and pursuant to the Second Amended Joint Chapter 11 Plan (the “Plan”), dated March 18, 2011, of MLC and its debtor affiliates (collectively, along with MLC, the “Debtors”), for the benefit of holders of allowed general unsecured claims against the Debtors (“Allowed General Unsecured Claims”).

The GUC Trust was formed on March 30, 2011, as a statutory trust under the Delaware Statutory Trust Act, for the purposes of implementing the Plan and distributing the GUC Trust’s distributable assets. The Plan generally provides for the distribution of certain shares of common stock (“New GM Common Stock”) of the new General Motors Corp. (“New GM”) and certain warrants for the purchase of shares of such stock (the “New GM Warrants”, and together with the “New GM Common Stock”, the “New GM Securities”) to holders of Allowed General Unsecured Claims *pro rata* by the amount of such claims. In addition, each holder of an Allowed General Unsecured Claim will retain a contingent right to receive, on a *pro rata* basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such New GM Common Stock and New GM Warrants are not required for the satisfaction of previously Disputed General Unsecured Claims (as defined below) or liquidation for the payment of the expenses of the GUC Trust) and cash, if any, remaining at the dissolution of the GUC Trust.

The GUC Trust is administered by Wilmington Trust Company, solely in its capacity as the trust administrator and trustee (the “GUC Trust Administrator”). Among other rights and duties, subject to the terms, conditions and limitations set forth in the GUC Trust Agreement, the GUC Trust Administrator has the power and authority to hold, manage, sell, invest and distribute the assets comprising the GUC Trust corpus, consult with and retain professionals for the administration of the GUC Trust, prosecute and resolve objections to Disputed General Unsecured Claims, take all necessary actions to administer the wind-down of the affairs of the Debtors upon their dissolution, and upon such dissolution, resolve and satisfy, to the extent allowed, the Residual Wind-Down Claims (as defined below). The activities of the GUC Trust Administrator are overseen by FTI Consulting, Inc., solely in its capacity as monitor (the “GUC Trust Monitor”).

***Plan of Liquidation***

On March 31, 2011, the date the Plan became effective (the “Effective Date”), there were approximately \$29,771 million in Allowed General Unsecured Claims (the “Initial Allowed General Unsecured Claims”). In addition, as of the Effective Date, there were approximately

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

\$8,154 million in disputed general unsecured claims which reflects liquidated disputed claims and a Bankruptcy Court ordered reserve for unliquidated disputed claims (“Disputed General Unsecured Claims”), but does not reflect potential Avoidance Action General Unsecured Claims (as defined below). The total aggregate amount of general unsecured claims, both allowed and disputed, asserted against the Debtors, inclusive of the potential Avoidance Action General Unsecured Claims (as defined below), was approximately \$39,425 million as of the Effective Date.

Pursuant to the GUC Trust Agreement, holders of Disputed General Unsecured Claims become entitled to receive a distribution of New GM Securities from the GUC Trust if, and to the extent that, such Disputed General Unsecured Claims become Allowed General Unsecured Claims. The GUC Trust Agreement provides the GUC Trust Administrator with the authority to file objections to such Disputed General Unsecured Claims within 180 days of the Effective Date. On September 23, 2011, the Bankruptcy Court entered an order, pursuant to Bankruptcy Rule 9006(b), extending the time by which the Debtors or the GUC Trust, as applicable, may object to Disputed General Unsecured Claims and Administrative Expenses as defined in the Plan to March 26, 2012 (which date may be further extended by application to the Bankruptcy Court). Such claims may be prosecuted through alternative dispute resolution proceedings, including mediation and arbitration (“ADR Proceedings”), if appropriate. The GUC Trust Administrator and its professionals are currently prosecuting multiple objections to Disputed General Unsecured Claims.

To the extent that all or a portion of a Disputed General Unsecured Claim is deemed invalid – or “disallowed” – by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is disallowed is not entitled to a distribution from the GUC Trust (subject to any appeal rights of the claimant). However, to the extent that a Disputed General Unsecured Claim is fully resolved, and such resolution results in all or a portion of the original Disputed General Unsecured Claim being deemed valid – or “allowed” – by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is allowed will be considered an Allowed General Unsecured Claim and will be entitled to a distribution from the GUC Trust as if it were an Allowed General Unsecured Claim on the Effective Date (such claims, “Resolved Disputed Claims”).

Only one Avoidance Action, captioned Official Committee of Unsecured Creditors of Motors Liquidation Co. v. JPMorgan Chase Bank, N.A. et al., Adv. Pro. No. 09-00504 (Bankr. S.D.N.Y. July 31, 2009) (the “Term Loan Avoidance Action”), has been commenced prior to the statutory deadline for commencing such actions. The Term Loan Avoidance Action was commenced by the Official Committee of Unsecured Creditors of Motors Liquidation Company (the “Committee”), and seeks the return of approximately \$1.5 billion that had been transferred by the Debtors (with funds advanced after the commencement of the Debtors’ Chapter 11 cases by the United States Treasury and Export Development Canada (together, the “DIP Lenders”)) to a consortium of prepetition lenders pursuant to the terms of the order of the Bankruptcy Court. On

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

December 15, 2011, in accordance with the Plan, upon the dissolution of MLC, the Term Loan Avoidance Action was transferred to the Avoidance Action Trust (as defined below). To the extent that the trustee and trust administrator of the Avoidance Action Trust (the "Avoidance Action Trust Administrator") is successful in obtaining a judgment against the defendant(s) to the Term Loan Avoidance Actions, general unsecured claims will arise in the amount of any transfers actually avoided (that is, disgorged) pursuant thereto (such general unsecured claims "Avoidance Action General Unsecured Claims," and together with Resolved Disputed Claims, the "Resolved Allowed Claims").

It is still unclear whether any amounts actually avoided pursuant to the Term Loan Avoidance Action would be for the benefit of holders of Allowed General Unsecured Claims. On June 6, 2011, the Committee commenced a separate adversary complaint seeking a declaratory judgment that (a) the DIP Lenders are not entitled to any proceeds of the Term Loan Avoidance Action and have no interests in the trust established for the action under the Plan (the "Avoidance Action Trust"), and (b) the holders of Allowed General Unsecured Claims have the exclusive right to receive any and all proceeds of the Term Loan Avoidance Action, and are the exclusive beneficiaries of the Avoidance Action Trust with respect thereto. On December 2, 2011, the Bankruptcy Court entered an order, in favor of the Committee, denying the DIP Lenders' motions to dismiss and for summary judgment (the "Term Loan Ownership Ruling"). On December 16, 2011 the DIP Lenders appealed the Term Loan Ownership Ruling along with related rulings and decisions of the Bankruptcy Court.

***GUC Trust Distributable Assets***

Pursuant to the terms of the Plan, the Bankruptcy Court authorized the distribution of 150 million shares of New GM Common Stock issued by New GM, warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$10.00 per share ("New GM Series A Warrants"), and warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$18.33 per share ("New GM Series B Warrants"). In addition, the agreement governing the sale of substantially all of the assets of the Debtors and related sale documentation together provide that in the event that the Bankruptcy Court enters an order that includes a finding that the estimated aggregate Allowed General Unsecured Claims against the Debtors exceed \$35 billion, New GM will be required to issue additional shares of New GM Common Stock for the benefit of the GUC Trust's beneficiaries (the "Additional Shares"). The number of Additional Shares to be issued will be equal to the number of such shares, rounded up to the next whole share, calculated by multiplying (i) 30 million shares (adjusted to take into account any stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, reorganization or similar transaction with respect to such New GM Common Stock from and after the closing of such sale and before issuance of the Additional Shares) and (ii) a fraction, (A) the numerator of which is the amount by which Allowed General Unsecured Claims exceed \$35 billion (such excess amount being capped at \$7 billion) and (B) the denominator of which is \$7 billion. No Additional Shares have been issued as of December 31, 2011.

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

***Funding for GUC Trust Costs of Liquidation***

The GUC Trust has and will have certain costs to liquidate the trust assets and implement the Plan. On or about the Effective Date, pursuant to the Plan, MLC contributed approximately \$52.7 million to the GUC Trust to be held and maintained by the GUC Trust Administrator (as the "GUC Trust Administrative Fund") for the purpose of paying certain expenses incurred by the GUC Trust Administrator (including fees and expenses for professionals retained by the GUC Trust) ("Wind-Down Costs"). Cash or investments from the GUC Trust Administrative Fund, if any, which remain at the winding up and conclusion of the GUC Trust must be returned to the DIP Lenders. If the GUC Trust Administrator determines that the GUC Trust Administrative Fund is not sufficient to satisfy the current or projected costs and expenses of the GUC Trust, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to reserve New GM Securities for this purpose. The GUC Trust Administrator may then liquidate such reserved New GM Securities to fund the Wind-Down Costs, in most cases, with the required approval of the Bankruptcy Court. New GM Securities that are reserved or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units.

In addition, as permitted by the GUC Trust Agreement, the GUC Trust requested the sale of 87,182 shares of New GM Common Stock and 79,256 warrants of each series of New GM Warrants by MLC in order to provide additional funds for the payment of a portion of expenses related to certain regulatory reporting requirements and actions provided for by the GUC Trust Agreement ("Reporting Costs"), including those directly or indirectly relating to reports to be filed by the GUC Trust with the Securities and Exchange Commission (the "SEC") or otherwise pursuant to applicable rules, regulations and interpretations of the SEC, the application to the Internal Revenue Service for a private letter ruling regarding the tax treatment of the GUC Trust and the holders of Allowed General Unsecured Claims in respect to the distribution of New GM Securities, and the ownership dispute with respect to the Term Loan Avoidance Action. The sale, which occurred May 27, 2011, resulted in cash proceeds of approximately \$5.7 million ("Other GUC Trust Administrative Cash"). These funds were previously maintained at MLC, but upon MLC's dissolution on December 15, 2011, such funds were transferred to the GUC Trust and the Avoidance Action Trust. Cash or investments held to fund Reporting Costs, if any, which remain at the termination of the GUC Trust will be distributed to holders of Allowed General Unsecured Claims or holders of the GUC Trust Units, as the case may be. If the GUC Trust Administrator determines that the Other GUC Trust Administrative Cash is not sufficient to satisfy the current or projected Reporting Costs of the GUC Trust, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to reserve New GM Securities to satisfy such costs. The GUC Trust Administrator may then liquidate such reserved New GM Securities to fund the Reporting Costs, with the approval of the Bankruptcy Court. New GM Securities that are reserved or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units.

The GUC Trust Administrator has reviewed the incurred, estimated and expected costs related to the budgets for Wind-Down Costs and Reporting Costs, and determined that the GUC Trust Administrative Fund and the Other GUC Trust Administrative Cash are not sufficient to cover

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

the expected Wind-Down Costs and Reporting Costs. During the quarter ended December 31, 2011, as a result of the review of incurred, estimated and expected costs, the GUC Trust increased the GUC Trust's reserve for liquidation costs by \$32.4 million for additional Wind-Down Costs and \$4.8 million for additional Reporting Costs.

In addition, the GUC Trust has reserved New GM Securities, otherwise distributable as Excess GUC Trust Distributable Assets equal to approximately \$10.1 million for Reporting Costs that may be incurred in the event the GUC Trust issues transferable GUC Trust Units pursuant and subject to the terms and conditions of any confirmation from the Staff of the SEC's Division of Corporation Finance (the "Staff") that the Staff will not recommend an enforcement action if transferable GUC Trust Units are issued without the GUC Trust having registered under Section 12(g) of the Securities Exchange Act of 1934, \$5 million as a contingency holdback in the event estimated amounts accrued for Wind-Down Costs and Reporting Costs are not sufficient to fund the GUC Trust's operations and \$5.2 million as a holdback for price fluctuations in New GM Securities to the extent that fluctuations in market price produces proceeds which are insufficient to fund the additional accrued reserves and distribution holdbacks described above. As discussed in greater detail below, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, has taken steps to request bankruptcy court authorization to liquidate New GM Securities to satisfy certain of such costs along with other trust expenses.

On January 20, 2012, the GUC Trust Administrator filed a motion (the "Funding Motion") with the Bankruptcy Court seeking, in part, authority to (a) liquidate approximately \$26.5 million of reserved New GM Securities to fund estimated and projected GUC Trust fees, costs and expenses for 2011 and 2012, (b) liquidate approximately \$13.7 million of New GM Securities and transfer the resulting proceeds to the Avoidance Action Trust to fund projected costs, fees and expenses of the Avoidance Action Trust, and (c) transfer New GM Securities valued at approximately \$17 million to the Avoidance Action Trust to fund the payment of a potential Avoidance Action Trust tax liability, to be liquidated by the Avoidance Action Trust Administrator only in the event that such Avoidance Action Trust tax liability arises.

***MLC Wind-Down***

Upon the dissolution of the Debtors, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining disputed administrative expenses, priority tax claims, priority non-tax claims and secured claims (the "Residual Wind-Down Claims"). Under the Plan, the Debtors were directed to transfer to the GUC Trust an amount necessary to satisfy the ultimate allowed amount of such Residual Wind-Down Claims, as estimated by the Debtors (the "Residual Wind-Down Assets"), including the costs, fees and expenses relating to satisfying and resolving the Residual Wind-Down Claims (the "Residual Wind-Down Expenses"). On December 15, 2011, MLC transferred \$43,378,628 to the GUC Trust, comprising: (i) \$ 38,606,915 of Residual Wind-Down Assets, (ii) \$1,357,596 in respect of the Avoidance Action Defense Costs (as defined below), (iii) \$1,364,509 for the establishment of the Indentured Trustee Cash Reserve (as defined below) and (iv) \$ 2,049,608

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

for Reporting Costs . In addition, the GUC Trust also received the benefit of certain prepaid expenses of \$2,755,529 which also comprise part of the Residual Wind-Down Assets (thus totaling \$41,362,444). This is discussed further below. The GUC Trust established a reserve for Residual Wind-Down Claims of approximately \$33,807,000 and increased its reserve for liquidation costs by approximately \$7,555,000 for Residual Wind-Down Expenses for these obligations transferred from MLC.

Should the Residual Wind-Down Expenses and the Residual Wind-Down Claims be less than the Residual Wind-Down Assets, any excess funds will be returned to the DIP Lenders. If at any time the GUC Trust Administrator determines that the Residual Wind-Down Assets are not adequate to satisfy the Residual Wind-Down Claims and Residual Wind-Down Expenses, such costs will be satisfied by Other GUC Trust Administrative Cash. If there is no remaining Other GUC Trust Administrative Cash, the GUC Trust Administrator is authorized to, with GUC Trust Monitor approval, reserve and, with Bankruptcy Court approval, sell New GM Securities to cover the shortfall. To the extent that New GM Securities are reserved and sold to obtain funding to complete the wind-down of the Debtors, such securities will not be available for distribution to the beneficiaries of the GUC Trust. Therefore, the amount of Residual Wind-Down Claims and Residual Wind-Down Expenses could reduce the assets of the GUC Trust available for distribution. After the GUC Trust has concluded its affairs, any funds remaining that were obtained from the New GM Securities sold to fund the wind-down process or the resolution and satisfaction of the Residual Wind-Down Claims will be distributed to the beneficiaries of the GUC Trust Units.

In addition to the \$41,362,444 in Residual Wind-Down Assets, upon its dissolution MLC transferred cash of \$1,364,509 for the payment of expenses to the Indenture Trustees and the Fiscal and Paying Agents for administering distributions to registered holders as called for under section 1.9 of the Plan (the "Indentured Trustee Cash Reserve"), and cash of \$1,357,596 for the payment of certain defense costs related to the Term Loan Avoidance Action (the "Avoidance Action Defense Costs") for a total of \$44,084,549 in additional assets transferred to the GUC Trust. The GUC Trust also increased its reserve for liquidation costs by \$2,722,105 for these obligations transferred from MLC. MLC also transferred \$2,049,608 and, in accordance with Section 2.3 of the GUC Trust Agreement, \$500,000 respectively to the GUC Trust and the Avoidance Action Trust that was previously reported as Cash Due From Motors Liquidation Company which is now included in Cash and Cash Equivalents. The \$500,000 which was transferred to the Avoidance Action Trust was reflected as a reduction to the reserve for expected cost of liquidation.

In addition, MLC transferred the remaining New GM Securities that were previously reported as Securities Due From Motors Liquidation Company to the GUC Trust and are now reported as Investment in New GM Securities.

The fair market value of New GM Securities transferred from MLC to the GUC Trust on December 15, 2011, was approximately \$1,158 million. This value is the tax basis which will be used to determine the gain or loss on the disposition of New GM Securities in the future.

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

However, if a favorable private letter ruling is received from the Internal Revenue Service, then no gain or loss would be recognized by the GUC Trust in the future when New GM Securities are distributed to satisfy Allowed General Unsecured Claims. At this time, it is uncertain whether a favorable ruling will be received.

**2. Basis of Presentation and Significant Accounting Policies**

***Liquidation Basis of Accounting***

The GUC Trust was created for the purposes described above in Note 1 and has a finite life. As a result, the GUC Trust has prepared the accompanying financial statements on the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States. Under the liquidation basis of accounting, assets are stated at their estimated net realizable value, which is the non-discounted amount of cash or its equivalent, into which an asset is expected to be converted in the due course of business less direct costs, while liabilities are reported at their estimated settlement amount, which is the non-discounted amount of cash, or its equivalent, expected to be paid to liquidate an obligation in the due course of business, including direct costs. Additionally, under the liquidation basis of accounting, a reserve has been established for estimated costs expected to be incurred during the liquidation (exclusive of interest expense). These estimates are periodically reviewed and adjusted as appropriate.

The valuation of assets at net realizable value and liabilities at anticipated settlement amount represent estimates, based on present facts and circumstances known to the GUC Trust Administrator, and are subject to change.

***Fiscal Year***

The GUC Trust's fiscal year begins on April 1 and ends on the following March 31. The GUC Trust's third quarter in the fiscal year is from October 1 to December 31. As the GUC Trust was created on March 30, 2011 and the Effective Date of the Plan was March 31, 2011, for financial reporting purposes the GUC Trust is assumed to have been established as of April 1, 2011 and received its initial funding on or about April 1, 2011 which is the beginning of the current nine month period ended December 31, 2011 presented in the accompanying financial statements.

***Cash and Cash Equivalents***

Cash and cash equivalents at December 31, 2011 consist of amounts held in a money market fund.

***Investments in New GM Securities***

Investments in New GM Securities represent the GUC Trust's interest in New GM Securities held for future distribution in respect of Allowed General Unsecured Claims and the GUC Trust

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

Units (as defined below). The securities held consist of shares of New GM Common Stock and New GM Warrants as further described in Note 1 and Note 5. The GUC Trust has valued its interest in the securities at their fair value based on quoted market prices as of the last trading day of the fiscal quarter.

Prior to December 15, 2011, MLC held the New GM Securities for the benefit of the GUC Trust and the GUC Trust reported its interest in these securities as Securities due from MLC in its previous financial statements.

***Investments in Marketable Securities***

Investments in marketable securities consist of investments in corporate and municipal government commercial paper and demand notes and U.S. government agency bonds. The GUC Trust has valued these securities at fair value based on quoted market prices or quoted prices for similar securities in active markets.

***Other Assets***

Other assets consist principally of prepaid insurance and retainers for professionals.

***Reserves for Residual Wind-Down Claims***

Upon the dissolution of the Debtors, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining disputed administrative expenses, priority tax claims, priority non-tax claims and secured claims. On the date of dissolution of the Debtors, the Debtors transferred to the GUC Trust cash in an amount necessary to satisfy the ultimate allowed amount of such Residual Wind-Down Claims and Residual Wind-Down Expenses, as estimated by the Debtors.

***Reserves for Expected Costs of Liquidation***

Under the liquidation basis of accounting, the GUC Trust is required to estimate and accrue the costs associated with implementing the Plan and distributing the GUC Trust's distributable assets. These costs, described as Wind-Down Costs and Reporting Costs in Note 1, consist principally of professional fees, costs of governance, and other administrative expenses. These amounts may vary significantly due to, among other things, the time required to complete all distributions under the Plan. The GUC Trust has recognized reserves for expected liquidation costs that represent estimated costs to be incurred over the remaining liquidation period. As the GUC Trust incurs such costs, the reserves are released to offset the costs incurred and a liability to the service provider is recognized as an accounts payable or accrued expense until paid.

***Accounts Payable & Other Liabilities***

Accounts payable and other liabilities represent amounts due to professionals, service providers, and vendors for services rendered or goods received through the end of the period.

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

***Income Taxes***

The GUC Trust is considered to be a Disputed Ownership Fund pursuant to Treasury Regulation Section 1.468B-9. Because all of the assets that have transferred to the GUC Trust are passive investments, the GUC Trust will be taxed as a Qualified Settlement Fund ("QSF") pursuant to Treasury Regulation Section 1.468-9(c)(1)(ii). The QSF tax status of the GUC Trust has been approved by the Internal Revenue Service in a private letter ruling issued on March 2, 2011.

In general, a QSF pays Federal income tax using the C corporation income tax rates on its modified gross income. Modified gross income includes gross income pursuant to Internal Revenue Code Section 61 less administrative expenses, certain losses from the sale, exchange or worthlessness of property, and net operating losses. In general, a Disputed Ownership Fund taxed as a QSF does not recognize gross income on assets transferred to it; therefore, the GUC Trust has not recognized gross income on the transfer of assets from Motors Liquidation Company. The GUC Trust is expected to generate gross income in the form of interest income and recognize gains and/or losses upon its disposition of shares of New GM Common Stock and New GM Warrants which it now holds, which will be reduced by administrative expenses and any accumulated net operating losses, to compute modified gross income. The basis of New GM Securities that will be used to calculate the gain or loss on the disposition of the New GM Common Stock and New GM Warrants is approximately \$1,158 million. As the GUC Trust is taxable for Federal income tax purposes a current income tax liability is recognized for estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. The deferred tax assets are periodically reviewed for recoverability and valuation allowances are provided as necessary.

The GUC Trust may also be subject to state income taxes. State deferred tax liabilities and assets are recorded consistent with the treatment for Federal income tax purposes.

The GUC Trust has a net operating loss for income tax purposes for the three and nine months ended December 31, 2011. However, a valuation allowance has been recorded for the related deferred tax asset as the GUC Trust does not believe the tax benefit of the net operating loss is likely to be realizable.

***Use of Estimates***

The preparation of financial statements on a liquidation basis in conformity with accounting principles generally accepted in the United States requires the use of estimates and assumptions that affect reported amounts of assets and liabilities. These estimates are subject to known and unknown risks, uncertainties and other factors that could materially impact the amounts reported and disclosed in the financial statements and related footnotes. Significant estimates include the anticipated amounts and timing of future cash flows for expected liquidation costs, fair value of investment securities and allowed amounts of general unsecured claims. Actual results could differ from those estimates.

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

***Subsequent Events***

The accompanying financial statements and related disclosures include evaluation of events up through and including January 30, 2012, which is the date the financial statements were available to be issued.

**3. Net Assets in Liquidation**

***Description***

Under the GUC Trust Agreement and the Plan, as described more fully in Note 1, the beneficiaries of the GUC Trust are current and future holders of Allowed General Unsecured Claims and GUC Trust Units (as defined below) ("Trust Beneficiaries"). Certain assets of the GUC Trust are reserved for funding the expected costs of liquidation and not available to the Trust Beneficiaries. Other assets of the GUC Trust, primarily Investments in New GM Securities, as described in Notes 1 and 5, are available to be distributed to the Trust Beneficiaries ("GUC Trust Distributable Assets") in accordance with the Plan. The net assets available in liquidation, presented in the accompanying financial statements, correspond to the amount of GUC Trust Distributable Assets as of December 31, 2011.

***Trust Units***

As described in Note 1, each holder of an Allowed General Unsecured Claim will retain a contingent right to receive, on a pro rata basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such shares of New GM Common Stock and New GM Warrants are not required for the satisfaction of previously Disputed General Unsecured Claims or liquidation for the payment of the expenses of the GUC Trust) and cash, if any, remaining at the dissolution of the GUC Trust. The GUC Trust issues, by credit on its books and records, units representing such contingent rights ("GUC Trust Units") at the rate of one GUC Trust Unit per \$1,000 of Allowed General Unsecured Claims to each holder of an Allowed General Unsecured Claim, subject to rounding pursuant to the GUC Trust Agreement, in connection with the initial recognition of each Allowed General Unsecured Claim.

The GUC Trust makes quarterly distributions in respect of the GUC Trust Units to the extent that certain previously Disputed General Unsecured Claims asserted against the estate of MLC are either disallowed or are otherwise resolved favorably to the GUC Trust (thereby reducing the amount of GUC Trust assets reserved for distribution in respect of such asserted claims) and the amount of Excess GUC Trust Distributable Assets (as defined in the Trust Agreement) as of the end of the relevant quarter exceeds thresholds set forth in the Trust Agreement.

On or about July 8, 2011, the GUC Trust issued 29,770,826 GUC Trust Units to holders of Allowed General Unsecured Claims as of the Effective Date. In addition, on or about July 28, 2011, in connection with the second quarterly distribution, the GUC Trust issued a further 64,393 GUC Trust Units to new holders of Allowed General Unsecured Claims which had been allowed after the Effective Date and on or before the record date for the second quarter

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

distribution. Further, on or about October 28, 2011 in connection with the third quarterly distribution, the GUC Trust issued a further 41,349 GUC Trust Units to new holders of Allowed General Unsecured Claims which had been allowed after the Effective Date and on or before the record date for the third quarter distribution. On or about January 13, 2012 in connection with the Section 2.3(a) Distribution (as defined in Note 4), the GUC Trust distributed New GM Securities and issued 47,263 GUC Trust Units in respect of the Allowed General Unsecured Claims which had been allowed during the period ended December 15, 2011.

The following presents the total GUC Trust Units which the GUC Trust issued or was obligated to issue as of December 31, 2011:

	Trust <u>Units</u>
Units outstanding as of April 1, 2011	-
Units issued on July 8, 2011 for the initial distribution	29,770,826
Units issued on July 28, 2011 for the second quarterly distribution	64,393
Units issued on October 28, 2011 for the third quarterly distribution	41,349
Units issuable on January 13, 2012 for the Section 2.3(a) Distribution	47,263
Total units outstanding or issuable at December 31, 2011	<u>29,923,831</u>

***Allowed and Disputed Claims***

The total cumulative pro rata liquidating distributions ultimately received by Trust Beneficiaries is dependent upon the current amount of Allowed General Unsecured Claims and final resolution of outstanding Disputed General Unsecured Claims and the Term Loan Avoidance Action Claim.

The following table presents a summary of the Allowed and Disputed General Unsecured Claims and Term Loan Avoidance Action Claim for the quarter ended December 31, 2011:

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

(in thousands)	Allowed General Unsecured Claims	Disputed General Unsecured Claims	Term Loan Avoidance Action Claims	Maximum Amount of Unresolved Claims	Total Claim Amount (1)
Total, October 1, 2011	\$ 29,876,527	\$ 6,259,409	\$ 1,500,000	\$ 7,759,409	\$ 37,635,936
New Allowed General Unsecured Claims	47,241	-	-	-	47,241
Disputed General Unsecured Claims resolved or disallowed	-	(600,029)	-	(600,029)	(600,029)
Total, December 31, 2011	<u>\$ 29,923,768</u>	<u>\$ 5,659,380</u>	<u>\$ 1,500,000</u>	<u>\$ 7,159,380</u>	<u>\$ 37,083,148</u>

(1) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims.

The following table presents a summary of the Allowed and Disputed General Unsecured Claims and Term Loan Avoidance Action Claim for the nine months ended December 31, 2011:

(in thousands)	Allowed General Unsecured Claims	Disputed General Unsecured Claims	Term Loan Avoidance Action Claims	Maximum Amount of Unresolved Claims	Total Claim Amount (1)
Total, April 1, 2011	\$ 29,770,812	\$ 8,153,860	\$ 1,500,000	\$ 9,653,860	\$ 39,424,672
New Allowed General Unsecured Claims	152,956	-	-	-	152,956
Disputed General Unsecured Claims resolved or disallowed	-	(2,494,480)	-	(2,494,480)	(2,494,480)
Total, December 31, 2011	<u>\$ 29,923,768</u>	<u>\$ 5,659,380</u>	<u>\$ 1,500,000</u>	<u>\$ 7,159,380</u>	<u>\$ 37,083,148</u>

(1) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims.

#### **4. Liquidating Distributions**

On or about April 21, 2011 and supplemented by a secondary distribution on May 26, 2011, the GUC Trust made its initial distribution to holders of Allowed General Unsecured Claims as of March 31, 2011, distributing an aggregate of 113,194,172 shares of New GM Common Stock and 205,807,642 New GM Warrants (102,903,821 of each of the New GM Series A and New GM Series B Warrants).

On or about July 28, 2011 the GUC Trust made its second distribution. The second quarter distribution comprised (i) a distribution of New GM Securities and GUC Trust Units to holders of Allowed General Unsecured Claims which had been allowed after the record date for the first quarterly distribution and on or before June 30, 2011, the record date for such second distribution and (ii) a distribution in respect of all outstanding GUC Trust Units. In the second quarterly

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

distribution, the GUC Trust distributed an aggregate of 3,342,580 shares of New GM Common Stock and 6,077,344 New GM Warrants (3,038,672 of each of the New GM Series A and New GM Series B Warrants).

On or about October 28, 2011 the GUC Trust made its third distribution. The third quarter distribution comprised (i) a distribution of New GM Securities and GUC Trust Units to holders of Allowed General Unsecured Claims which had been allowed after the record date for the second quarterly distribution and on or before September 30, 2011, the record date for such third distribution and (ii) a distribution in respect of all outstanding GUC Trust Units. In the third quarterly distribution, the GUC Trust distributed an aggregate of 2,528,182 shares of New GM Common Stock and 4,596,652 New GM Warrants (2,298,326 of each of the New GM Series A and New GM Series B Warrants)

Pursuant to section 5.6 (b) of the Plan, which prohibits the receipt of fractional New GM Securities in respect of Trust Beneficiaries' GUC Trust Units, on or about August 4, 2011, the GUC Trust sold 245 shares of New GM Common Stock and 518 New GM Warrants (259 of each of the New GM Series A and New GM Series B Warrants) realizing net proceeds of \$13,068. Additionally, on or about November 17, 2011, the GUC Trust sold 687 shares of New GM Common Stock and 1,288 New GM Warrants (644 of each of the New GM Series A and New GM Series B Warrants) realizing net proceeds of \$28,999. The proceeds from these sales were for distribution to claimants for fractional shares in respect of their GUC Trust Units.

Pursuant to Section 2.3(a) of the GUC Trust Agreement, the GUC Trust was required to distribute, within thirty (30) days of the GUC Trust's receipt thereof, any New GM Securities that would have been distributed on the next quarterly distribution date to holders of Allowed General Unsecured Claims, which claims were allowed after the record date for the third quarterly distribution and before the December 15, 2011 record date for the Section 2.3(a) Distribution and holders of GUC Trust Units as of the same date, in each case pursuant to the terms of the GUC Trust Agreement (the "Section 2.3(a) Distribution"). The Section 2.3(a) Distribution took place on or about January 13, 2012, and consisted solely of a distribution to holders of (a) these newly Allowed General Unsecured Claims and (b) other Allowed General Unsecured Claims, allowed on or before September 30, 2011 (the record date for the third GUC Trust distribution) whose holders previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but successfully fulfilled such information requirements for the Section 2.3(a) Distribution. Because the amount of Excess GUC Trust Distributable Assets in the Section 2.3(a) Distribution did not exceed the Distribution Threshold, no distribution to holders of GUC Trust Units was made in connection with the Section 2.3(a) Distribution.

The fourth quarterly distribution was scheduled to take place as promptly as practicable following January 1, 2012, based upon the GUC Trust's books and records as of December 31, 2011. However, as no Disputed General Unsecured Claims were allowed between the GUC Trust Funding Date and the December 31, 2011 record date for the fourth quarter distribution, no distribution was required to be made to holders of Resolved General Unsecured Claims. In

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

addition, as the amount of Excess GUC Trust Distributable Assets did not exceed the Distribution Threshold, no distribution to holders of Units was required. As such, no quarterly distribution (other than the Section 2.3(a) Distribution referenced herein) was made during January 2012.

In aggregate for all such distributions, the GUC Trust was obligated at December 31, 2011 to distribute 1,052,736 shares of New GM Stock, 956,921 Series A New GM Warrants and 956,921 Series B New GM Warrants, and, except as set out below, all of these securities were distributed on or about January 13, 2012:

(a) an aggregate of 105,441 shares of New GM Common Stock, 95,816 New GM Series A Warrants and 95,816 New GM Series B Warrants which were otherwise then distributable to certain holders of Allowed General Unsecured Claims were not so distributed because such holders had not then satisfied certain informational requirements necessary to receive these securities, and

(b) an aggregate of 144 shares of New GM Common Stock, 43 New GM Series A Warrants and 43 New GM Series B Warrants that have not been distributed to holders of Allowed General Unsecured Claims in respect of certain debt securities previously issued, due to the rounding requirements under the rules and procedures of the various clearing systems in which such debt securities were held, and

(c) an aggregate of 804,592 shares of New GM Common Stock, 731,447 New GM Series A Warrants and 731,447 New GM Series B Warrants which were otherwise then distributable in connection with the Section 2.3(a) Distribution to certain holders of Allowed General Unsecured Claims which were not so distributed because the amount of Excess GUC Trust Distributable Assets did not exceed the Distribution Threshold set forth in the GUC Trust Agreement.

As of December 31, 2011, the GUC Trust had accrued liquidating distributions payable of \$40,046,764 in respect of the securities then distributable pending satisfaction of informational requirements, the rounding of partial shares due to DTC requirements, the shares allocated on account of Excess GUC Trust Distributable Assets that did not exceed the Distribution Threshold and the securities distributed on or about January 13, 2012.

## **5. Investments in New GM Securities**

On December 15, 2011 all remaining undistributed New GM Securities held at MLC were transferred from MLC to the GUC Trust (the "GUC Trust Transfer Date").

At December 31, 2011, the Investments in New GM Securities, at fair value, consisted of the following:

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

	<u>Number</u>	<u>Value</u> <u>(in thousands)</u>
New GM Common Stock	30,967,561	\$ 627,713
New GM Series A Warrants	28,152,186	330,225
New GM Series B Warrants	28,152,186	220,150
Total		<u>\$ 1,178,088</u>

The number of common stock shares and warrants presented above include that number of shares of common stock and warrants which, as of December 31, 2011, were pending distribution to certain holders of Allowed General Unsecured Claims who had not at such date satisfied the information requirements necessary to receive such distributions. These pending distributions comprised 105,441 shares of New GM Common Stock, valued at \$2,137,289, 95,816 New GM Series A Warrants, valued at \$1,123,921, and 95,816 New GM Series B Warrants, valued at \$749,281 as of December 31, 2011. If any such holder of Allowed General Unsecured Claims does not provide such information by the time of the GUC Trust's termination, the securities to which the holder would have been entitled will instead be available to the remaining holders of GUC Trust Units.

Further, the numbers and values of New GM Securities at December 31, 2011 and in the table above include an aggregate of 144 shares of New GM Common Stock, 43 New GM Series A Warrants and 43 New GM Series B Warrants have not been distributed to holders of Allowed General Unsecured Claims in respect of certain debt securities previously issued, due to the rounding requirements under the rules and procedures of the various clearing systems in which such debt securities were held.

Further, the numbers and values of New GM Securities at December 31, 2011 and in the table above include an aggregate of 804,592 shares of New GM Common Stock valued at \$16,309,080, 731,447 New GM Series A Warrants valued at \$8,579,873 and 731,447 New GM Series B Warrants valued at \$5,719,916 have not been distributed to holders of Allowed General Unsecured Claims in respect to the amount of Excess GUC Trust Distributable Assets which did not exceed the Distribution Threshold in connection with the Section 2.3(a) Distribution.

In addition, the numbers and values of New GM Securities at December 31, 2011 and in the table above include 142,559 shares of New GM Common Stock, valued at \$2,889,671, 129,615 New GM Series A Warrants and 129,615 New GM Series B Warrants valued at \$1,520,384 and \$1,013,590, respectively, which were distributed on or about January 13, 2012.

A liquidating distribution payable has been recognized in the accompanying statement of net assets for all distributions pending as of December 31, 2011. See Note 4.

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

**6. Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following table presents information about the GUC Trust's assets measured at fair value on a recurring basis at December 31, 2011, and the valuation techniques used by the GUC Trust to determine those fair values.

*Level 1* – In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the GUC Trust has the ability to access.

*Level 2* – Fair value determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

*Level 3* – Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These level 3 fair value measurements are based primarily on management's own estimates using pricing models, discount cash flow methodologies, or similar techniques taking into account the characteristics of the asset. There were no assets or liabilities recorded that are measured with Level 3 inputs at December 31, 2011.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The GUC Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The GUC Trust also holds other assets and liabilities not measured at fair value on a recurring basis, including accounts payable and other liabilities. The fair value of these liabilities is equal to the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

The following table summarizes the fair values of those financial instruments measured at fair value at December 31, 2011:

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

(in thousands)	Level 1	Level 2	Level 3	Balance as of December 31, 2011
Cash equivalents:				
Money market funds	\$ 1,433	\$ -	\$ -	\$ 1,433
Investments:				-
Municipal commercial paper and demand notes	-	63,191	-	63,191
Corporate commercial paper	-	11,989	-	11,989
U.S. government agency bonds	-	3,001	-	3,001
Investments in New GM Securities				
New GM Common Stock	627,713	-	-	627,713
New GM Warrants	550,375	-	-	550,375
Total	<u>\$ 1,179,521</u>	<u>\$ 78,181</u>	<u>\$ -</u>	<u>\$ 1,257,702</u>

The GUC Trust's policy is to recognize transfers between levels of the fair value of the hierarchy as of the actual date of the event of change in circumstances that caused the transfer. During the quarter ended December 31, 2011, as a result of the dissolution of MLC, the New GM Securities, previously held by MLC, were transferred to the GUC Trust. Accordingly, these securities, which are now a direct holding of the GUC Trust, and have quoted prices in open markets, have been reclassified from Level 2 to Level 1 assets.

## 7. Reserves for Expected Costs of Liquidation

The following is a reconciliation of the reserves for expected costs of liquidation, including expected reporting costs, for the quarter ended December 31, 2011:

(in thousands)	Reserve for Expected Wind Down Costs	Reserve for Expected Reporting Costs	Reserve for Indenture Trustee/Fiscal and Paying Agent Costs	Reserve for Avoidance Action Defense Costs	Reserve for Residual Wind Down Costs	Total Reserve for Expected Costs of Liquidation
Balance, October 1, 2011	\$ 38,212	\$ 2,596	\$ -	\$ -	\$ -	\$ 40,808
Plus reserves received December 15, 2011	-	-	1,365	1,358	7,555	10,278
Plus additional reserves requested and accrued	32,432	4,781	-	-	-	37,213
Less liquidation costs incurred during the quarter:						
Trust Professionals	(5,157)	434	-	-	(297)	(5,019)
Trust Governance	(729)	-	(699)	-	-	(1,428)
Other Administrative Expenses	(34)	(2,057)	-	-	(717)	(2,809)
Balance December 31, 2011	<u>\$ 64,724</u>	<u>\$ 5,754</u>	<u>\$ 666</u>	<u>\$ 1,358</u>	<u>\$ 6,541</u>	<u>\$ 79,044</u>

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**Unaudited**  
**December 31, 2011**

The following is a reconciliation of the reserves for expected costs of liquidation, including expected reporting costs, for the nine months ended December 31, 2011:

(in thousands)	Reserve for Expected Wind Down Costs	Reserve for Expected Reporting Costs	Reserve for Indenture Trustee/Fiscal and Paying Agent Costs	Reserve for Avoidance Action Defense Costs	Reserve for Residual Wind Down Costs	Total Reserve for Expected Costs of Liquidation
Balance, April 1, 2011	\$ 52,734	\$ 5,657	\$ -	\$ -	\$ -	\$ 58,391
Plus reserves received December 15, 2011	-	-	1,365	1,358	7,555	10,278
Plus additional reserves requested and accrued	32,432	4,781	-	-	-	37,213
Less liquidation costs incurred during the nine months ended December 31, 2011:						
Trust Professionals	(18,532)	(2,489)	-	-	(297)	(21,318)
Trust Governance	(1,756)	-	(699)	-	-	(2,455)
Other Administrative Expenses	(154)	(2,195)	-	-	(717)	(3,066)
Balance December 31, 2011	<u>\$ 64,724</u>	<u>\$ 5,754</u>	<u>\$ 666</u>	<u>\$ 1,358</u>	<u>\$ 6,541</u>	<u>\$ 79,044</u>